

[17 August, 2000]

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(d) the details of the third countries through which tea is being exported to Pakistan?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Tea is exported from India by private companies to over 80 countries including Pakistan. India exports a number of items to Pakistan, such as oil meals, drugs pharmaceuticals and fine chemicals, spices, dyes /intermediates and coal tar chemicals, rubber manufactured products, paints/enamels/ varnishes, inorganic chemicals, plastic and linoleum products, iron ore etc.

(c) and (d) According to the available information these items are exported directly.

Removal of Ceiling and Restrictions on FDI

2334. SHRI CM. IBRAHIM. Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have decided to remove ceiling and restrictions over FDI in respect of different sectors and also remove export requirements to compensate the outgo of foreign exchange etc.; and

(b) if so, the details in this regard indicating the reasons and rationale and the life benefits that follow with respect to India's economy?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) Government, in its commitment towards economic reforms and with the objective of attracting more foreign direct investment has placed all items/activities under the automatic route for 100% Foreign Direct Investment (FDI), Non-Resident Indians (NRI) and Overseas Corporate Body (OCB) investment except the following:

1. All proposals that require an Industrial Licence which include (i) the item requiring an Industrial Licence under the Industries (Development and Regulation) Act, 1951; (ii) foreign investment

being more than 24% in the equity capital of units manufacturing items reserved for small scale industries; and (iii) all items which require an Industrial Licence in terms of the locational policy notified by Government under the New Industrial Policy of 1991.

2. All proposals in which the foreign collaborator has a previous venture /tie-up in India. The modalities prescribed in Press-Note No. 18 dated 14.12.1998 of 1998 series, shall apply in such cases.

3. All proposals relating to acquisition of shares in an existing Indian company in favour of a foreign/NRI/OCB investor.

4. All proposals falling outside notified sectoral policy/caps or under sector in which FDI is not permitted and/or whenever any investor chooses to make an application to the FIPB and not avail of the automatic route.

The Government has also prospectively removed from 14.7.2000 the requirement to balance outflow on account of dividends by export earning during the first seven years of commercial production applicable hitherto in case of 22 categories of companies engaged in manufacturer of consumer goods since it was perceived as a hindrance to FDI flows into the country.

FDI in Tea, Coffee and Telecom

2335. SHRI BRAHMAKUMAR BHATT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether FDI in Tea, Coffee and Telecom will be 100 per cent;
- (b) the details of other economic reforms likely to come;
- (c) what would be mandatory for foreign investors; and
- (d) the details of the reasons for allowing 100 per cent FDI?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN): (a) and (b) No decision has been taken in this regard.